

It All Begins at Home

2009 Year in Review



Indiana Housing & Community Development Authority

creating housing opportunity,
generating and preserving assets,
and revitalizing neighborhoods

An old Chinese proverb says, “May you live in interesting times.” Most consider this a curse, not a blessing, but it captures well what Indiana and the nation experienced in 2009. Yet, interesting times bring opportunities for innovation and creativity. While for many states, the 2008 Neighborhood Stabilization Program and the American Reinvestment and Recovery Act meant business as usual (just more of it), I'm pleased with how inventive and effective IHCD and our housing partners have been with the increase in resources at our disposal.

Throughout the next few pages, you will see a lot of numbers—dollars invested, units completed, and people served. Those numbers are important, but every number comes with a story. Because the Hoosier economy begins at home, the home is the foundation of a strong community and a strong state. By helping Hoosiers find safe and affordable housing, and building our communities, we will ensure that Indiana's economic comeback reaches all Hoosiers.

When faced with interesting times, Hoosiers have a history of turning good ideas into great progress. As I look back over our accomplishments of 2009, I am proud of what we've done, and know in 2010 we will continue to find unique ways to make Indiana an even better place to live and work.

Becky Skillman



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853 Hoosiers are currently being served through I-HOPE, a web-based intake and assessment tool that identifies an individual's or a family's barriers to self-sufficiency and targets the most appropriate housing solution. HUD is promoting Indiana as a best practice in homeless prevention and rapid re-housing.

210 units of permanent supportive housing were completed this year, while another 700 units are in the development pipeline. At this pace, Indiana will easily attain its goal of developing 1,100 units by 2013.

49 percent of IHCD's Section 8 vouchers are used by a household that has a person with some form of disability residing there.

\$38 million in ARRA funds was loaned into multi-family developments that will be recycled into new projects over the next 3 years (and beyond).

\$20 of other people's money was leveraged by every \$1 of Development Fund investment.

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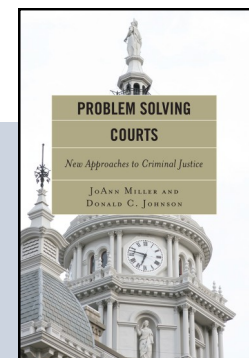
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When they received their eviction notice, the Smiths had very little time to find a new home. A married couple with five children, they knew that finding a new home large enough to accommodate the whole family would be difficult, but they were committed to staying together as a family even in the face of imminent homelessness. The Smiths turned to the Terre Haute Housing Authority, part of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) developed by IHCD, to assess their family's needs and to locate suitable housing. With access to a stable home and vital services, the Smiths avoided homelessness and are equipped to avert a similar predicament in the future.

While the Smiths are part of a growing number of Hoosiers at risk of experiencing a short episode of homelessness, 15% of the homeless population continuously cycles through health care institutions and correctional facilities seeking services and shelter. In response to these "chronically" homeless, IHCD and its partners have worked tirelessly to link mental health and addiction services to stable housing. Permanent supportive housing will address the needs of this population while reducing their use of costly emergency assistance.

These are just two ways Indiana is transforming its homeless delivery system so that interesting times offer individuals and families hope rather than despair. Ending homelessness means that in interesting times everyone will have a place to call home.

At this year's National Council of State Housing Agencies (NCSHA) Annual Conference in Texas, IHCD was presented with the 2009 Annual Award for Program Excellence for Special Needs Housing Combating Homelessness, for efforts to end homelessness through Permanent Supportive Housing. Indiana's success was also featured in Problem Solving Courts: New Approaches to Criminal Justice, a nationally released textbook co-authored by the Honorable Donald C. Johnson, Indiana Superior Court I.



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Indiana has been a leader in developing high-quality affordable rental housing that not only provides housing opportunity for seniors and working families, but also creates value in neighborhoods across the state. However, 2009 was an interesting time for the financial markets. Developers felt the squeeze as credit tightened and equity dried up; projects stopped in their tracks or never got started. When IHCD first learned of federal efforts to address these issues, the agency immediately began planning to quickly place those dollars on the street. As a result, thirty-nine projects (representing \$158.5 million in investment) can start or re-start, creating or saving up to 2,000 jobs.

Nestled in the rolling hills of Brown County with a small-town feel and amenities often available only in larger cities, Nashville represents a great place to live and an even better place to retire. As a result, the senior population in Nashville and surrounding areas is projected to grow 46% by 2014. Yet, the closest rental developments serving seniors are 30 to 60 minutes away in Columbus, Martinsville, and Morgantown. In response to community calls for affordable housing options, RealAmerica Development began planning for Willow Manor, a 65 unit apartment complex exclusively for seniors.

Unfortunately, like many projects in Indiana, Willow Manor faced challenges securing equity in exchange for its commitment of tax credits from IHCD. Fortunately, IHCD was able to work closely with RealAmerica on restructuring its \$7 million investment to make the deal happen. With this critical support, Willow Manor will open by 2011, welcoming seniors with new housing opportunities in scenic Nashville.



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1276 buyers used one of IHCDA's mortgage products to realize their American Dream of homeownership.

\$424 was saved by the average Individual Development Account holder. This translates to 2.4% of their household income.

183 jobs were created or retained by contractors weatherizing homes under Indiana's Home Energy Conservation Program.

\$28 million was the aggregate cost savings to homeowners, lenders, insurance providers, and local government when 706 foreclosures were averted through the services of the Indiana Foreclosure Prevention Network.

\$11 million was the aggregate tax benefit 513 homebuyers will receive over the life of their loans through the mortgage credit certificate program. On average, MCC homeowners will save \$83 per month during the first five years providing critical mortgage stability.

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Employed as a community development professional, Lisa has assisted numerous groups in developing affordable housing for Indiana residents and has trained hundreds of housing counselors about providing pre-purchase homeownership counseling. In 2009, she realized the dream of homeownership herself. Lisa utilized funds provided by IHCD's Market Stabilization Program for down payment assistance and closing costs, allowing her to purchase a foreclosed, single-family home in Franklin. The house Lisa now calls home also helped to stabilize a community, as her neighborhood had experienced a number of foreclosures, and the property she purchased been vacant for over a year.

Despite persistent foreclosures and stagnant appreciation rates during interesting times, homeownership can still be a wise investment and a wealth building tool. While the largest asset the majority of Americans will own is their home, assets take on many forms. Some can be converted into cash to weather the storm of an unexpected layoff or illness. Others can result in new or increased earning power. That is why IHCD is committed to helping families transform their wages into wealth.



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Interesting times can be accompanied by life events that make it difficult for some hard-working homeowners to maintain and retain their home, often the largest asset they'll ever own. Some could remain independent and in their community of choice with a few simple modifications or repairs. Others could minimize their housing costs and maximize their home's value with targeted energy efficiency improvements. And, still others could find hope and stability with financial management tools and a restructured mortgage.

For Shirley, interesting times meant her electric bill ran \$345 one month and \$430 the next. She was still reeling from those bills when the following month's bill of \$745 arrived. After she did what she could around the house to reduce her heating costs, her electric company referred her to the South Central Community Action Program (SCCAP) for weatherization assistance. Shirley's home is one of about 20,000 that will be serviced through the state's Home Energy Conservation Program, expected to save Indiana millions of dollars in wasted energy expenses and reduce the state's overall energy load.

The Indiana Foreclosure Prevention Network (IFPN) received state and national recognition for its public awareness campaign conducted in collaboration with the Indiana Broadcasters Association. Through this partnership, radio and television stations throughout Indiana aired PSA's promoting the event and every public broadcasting station in the state showed thirty minute foreclosure prevention program produced by WFYI. All this culminated one June evening, when 150 volunteers including housing counselors, attorneys, representatives from the Attorney General's Office, government volunteers, not-for-profit partners and lenders answered calls at three PBS stations from more than 3,000 borrowers.



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336 units of affordable housing will be developed or rehabilitated in counties devastated by floods in 2008.

166 non-profit organizations raised \$4.8 million in private contributions to provide a variety of community economic development services such as job training, childhood education, counseling, and housing rehabilitation through the Neighborhood Assistance Tax Credit program.

\$62 million in Neighborhood Stabilization Program funds were awarded to 24 communities throughout the state to purchase abandoned or foreclosed homes and to demolish or redevelop vacant properties.

6 owners used predevelopment funds and gap financing through IHCD's Real Estate Capital Access Program to expand their businesses and spur their local economies.

\$1 million in property taxes will be generated each year as a result of new homeowners who used IHCD's mortgage products in 2009.

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Surrounded on three sides by coal mines and on the other by an undevelopable flood plain, the Town of Linton needed to determine how best to reuse its available land, even if that land had been dormant and blighted for decades. Through a five-year planning process, residents worked hard to determine what kind of community they wanted Linton to be and how to turn their collective vision into reality. That civic pride and commitment has attracted nearly \$5 million in public and private investments that will transform a long-neglected neighborhood into new opportunities to work and raise a family.

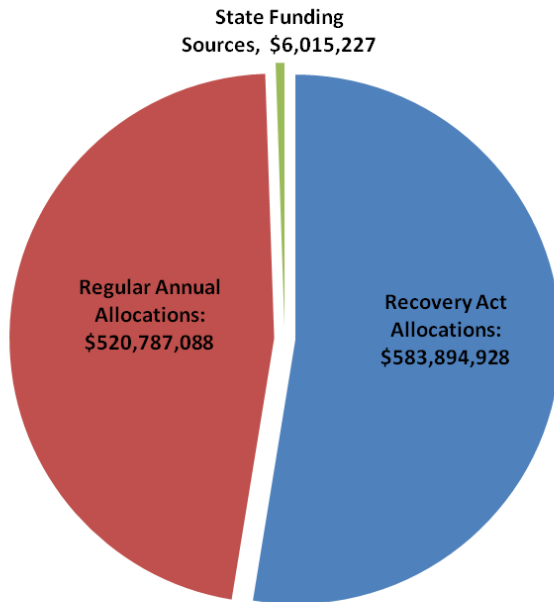
In order for housing to thrive, a community must thrive. The most important feature of a community is not where it is, but what it offers. Regrettably, interesting times have left many Hoosier communities, like Linton, a literal shell of their potential – vacant land, dilapidated buildings, and shuttered businesses represent lost opportunities.

IHCDA's efforts over the last year have helped local communities to build upon their assets and to create places people will choose as their final destination or simply a destination between destinations. That means creating places that are ripe with opportunity, places that have ready access to goods and services, places that celebrate a vibrant culture.

Once the pride of the city, Banker's Row in Logansport is an historic district on the Eel River. The Eckert House, a Banker's Row mansion built in 1887, had lain vacant for over 5 years until Kelly and Teri Hawes purchased the property in February of 2009. Through private investment and funding from IHCDA's Real Estate Capital Access Program (RECAP) the Eckert House was returned to its former splendor. Savannah Vintage Antiques & Gallery now occupies the first floor, with an 1800 square foot residence above. This is the third business to relocate in this unique district, creating new jobs and inspiring owners to improve their properties. Moreover, Savannah Vintage was a 2009 SUCCEED honoree (Stimulating Unlimited Cass County Entrepreneurs and Economic Development).



Funding Received by IHCD in 2009



- IHCD invested \$850 million dollars with partners to create housing opportunity, generate and preserve assets, and revitalize neighborhoods.
- In a typical year, IHCD administers \$7.6 million per staff member — 2009 was not a typical year.
- On average, IHCD executes contracts in under 60 days.
- On average, IHCD processes claims in under 10 days.



The accomplishments and stories on the preceding pages are only possible because of the good work of local partners with whom IHCD is privileged to invest its financial and technical resources. Together, we strengthen Indiana's economy by creating housing opportunity, generating and preserving assets, and revitalizing neighborhoods.

Together, we embolden families and communities to build upon their strengths and to celebrate their vibrant cultures. As families become more financially stable, they put down roots, spend their money locally, and climb the economic ladder. In turn, communities grow and prosper, broadening their tax base, creating new jobs, and maximizing local resources. Our work is truly a vehicle for economic growth, and it all begins at home.

